Reimagining the Delta Workforce

Ted Abernathy
ted@econleadership.com

Reimagine Readiness

Reengage Adult Leaners and Disconnected Youth

Realign Relationships and Resources

Listening to the South

s o uthern growth policies board

Re-imagining Workforce Development

Southern Growth Policies Board's
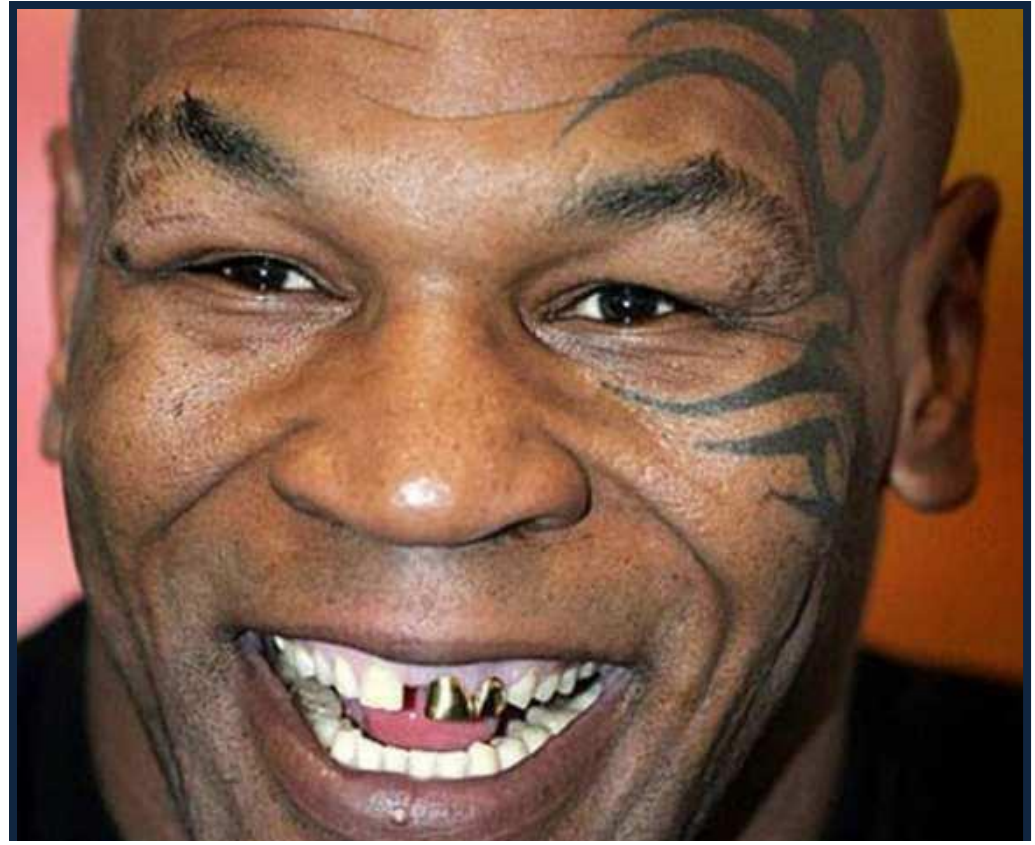*2013 Report on the Future of the South*

ECONOMIC LEADERSHIP

Why?

Re-imagining Workforce Development

Southern Growth Policies Board's
2013 Report on the Future of the South

ECONOMIC LEADERSHIP

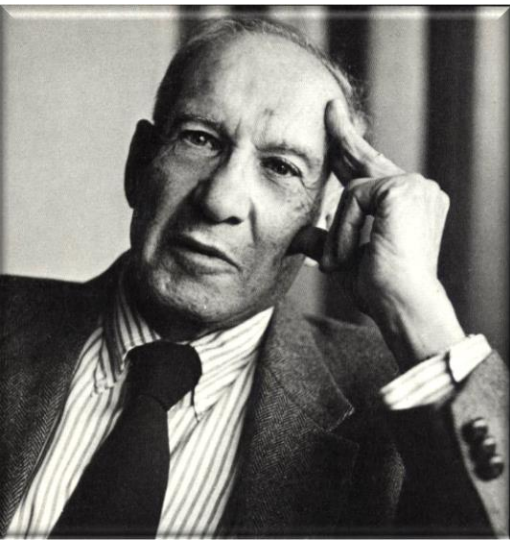"Everyone has a plan 'till they get hit in the mouth"
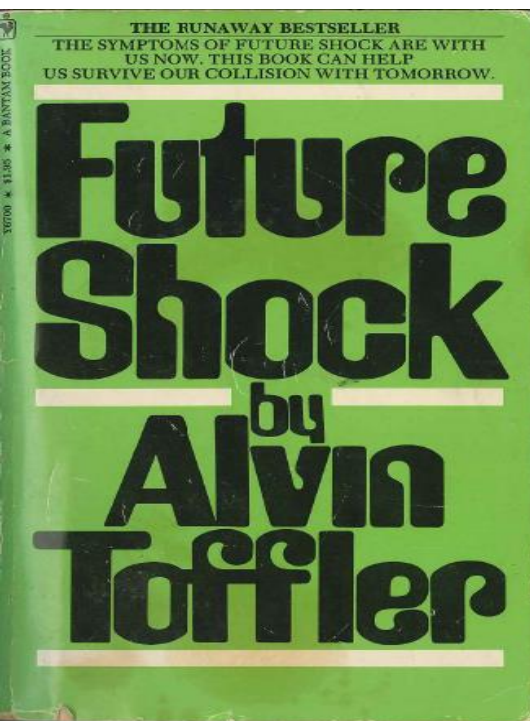
Mike Tyson

Mike Tyson

ECONOMIC
LEADERSHIP
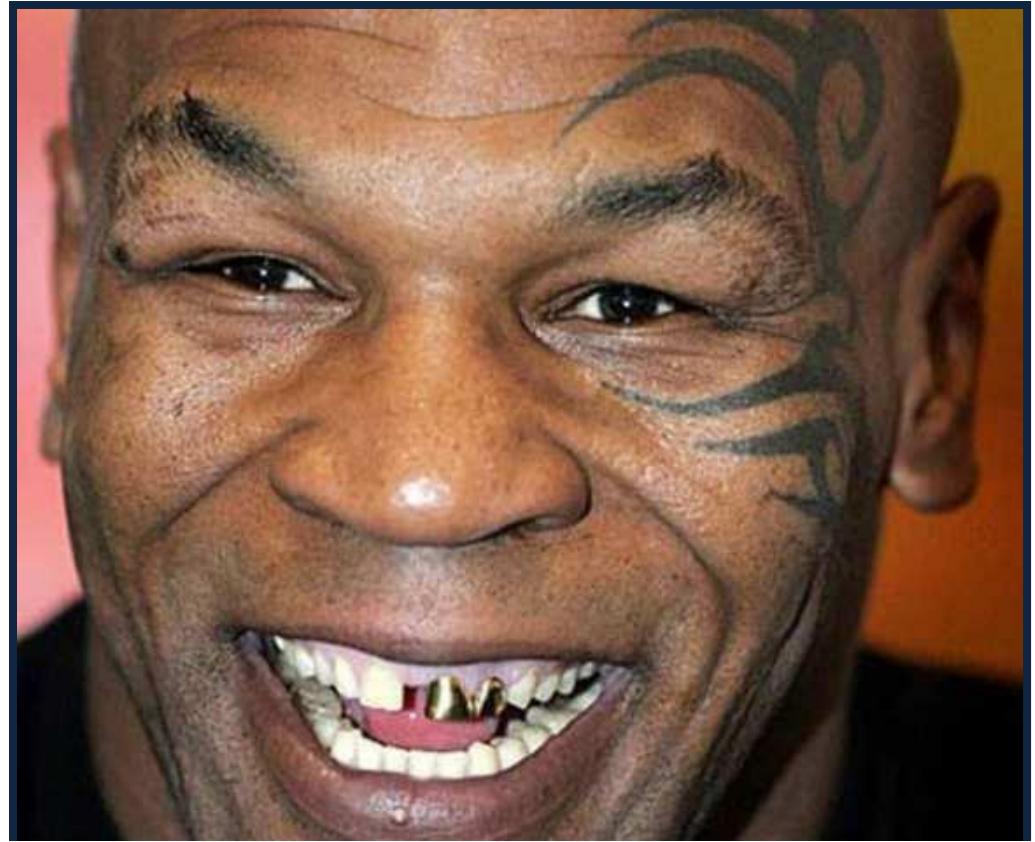
"No one born after the turn of the century has ever known anything but a world uprooting its foundations, overturning its values and toppling its idols."

Peter Drucker 1957

THE RUNAWAY BESTSELLER
THE SYMPTOMS OF FUTURE SHOCK ARE WITH US NOW. THIS BOOK CAN HELP US SURVIVE OUR COLLISION WITH TOMORROW.

Future Shock
by Alvin Toffler

"Is the dizzying disorientation brought on by the premature arrival of the future, a product of the greatly accelerated rate of change in society."

Alvin Toffler 1971

Everybody farmed and all 4 worked in textile mills of NC (First generation workers)
Everybody lived in towns of less than 3,000 (sort of)
The highest grade of school was 6th
No body ever had a passport, airplane ticket, mobile phone, computer or a foreign car

Roy

Margaret

Genora
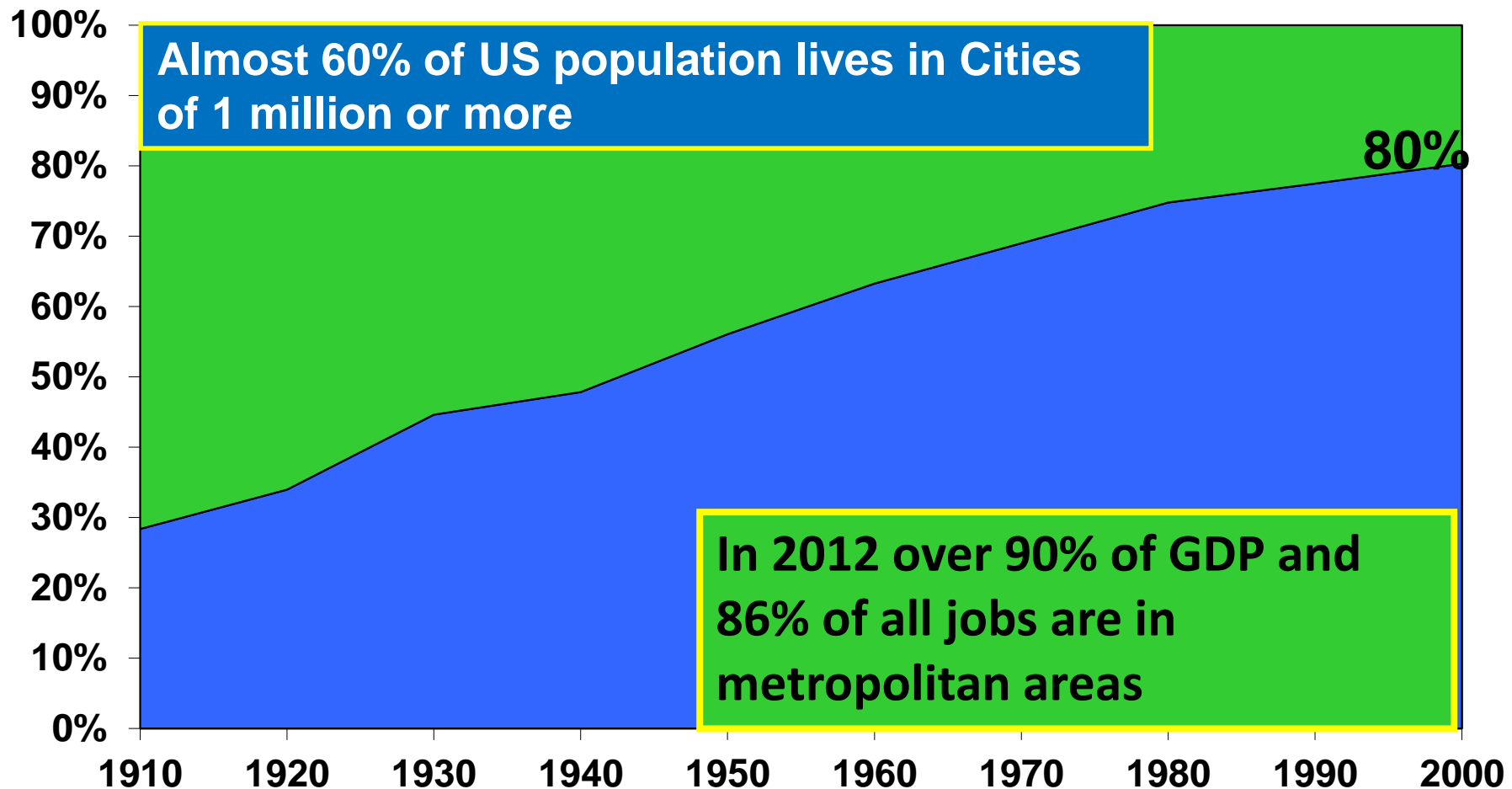
Wade

Today's New "Place" Reality

- The economy changed
- The competition changed
- Locational factors changed
- The U.S. workforce has changed
- The talent demands changed
- Customer (talent & companies) demands/expectations changed
- The pace of change and everything else changed

Urbanization

U.S. Population Concentration Metro-Non-Metro

Almost 60% of US population lives in Cities of 1 million or more

80%

In 2012 over 90% of GDP and 86% of all jobs are in metropolitan areas

■ **Metro** ■ **Non-Metro**

Source: Census

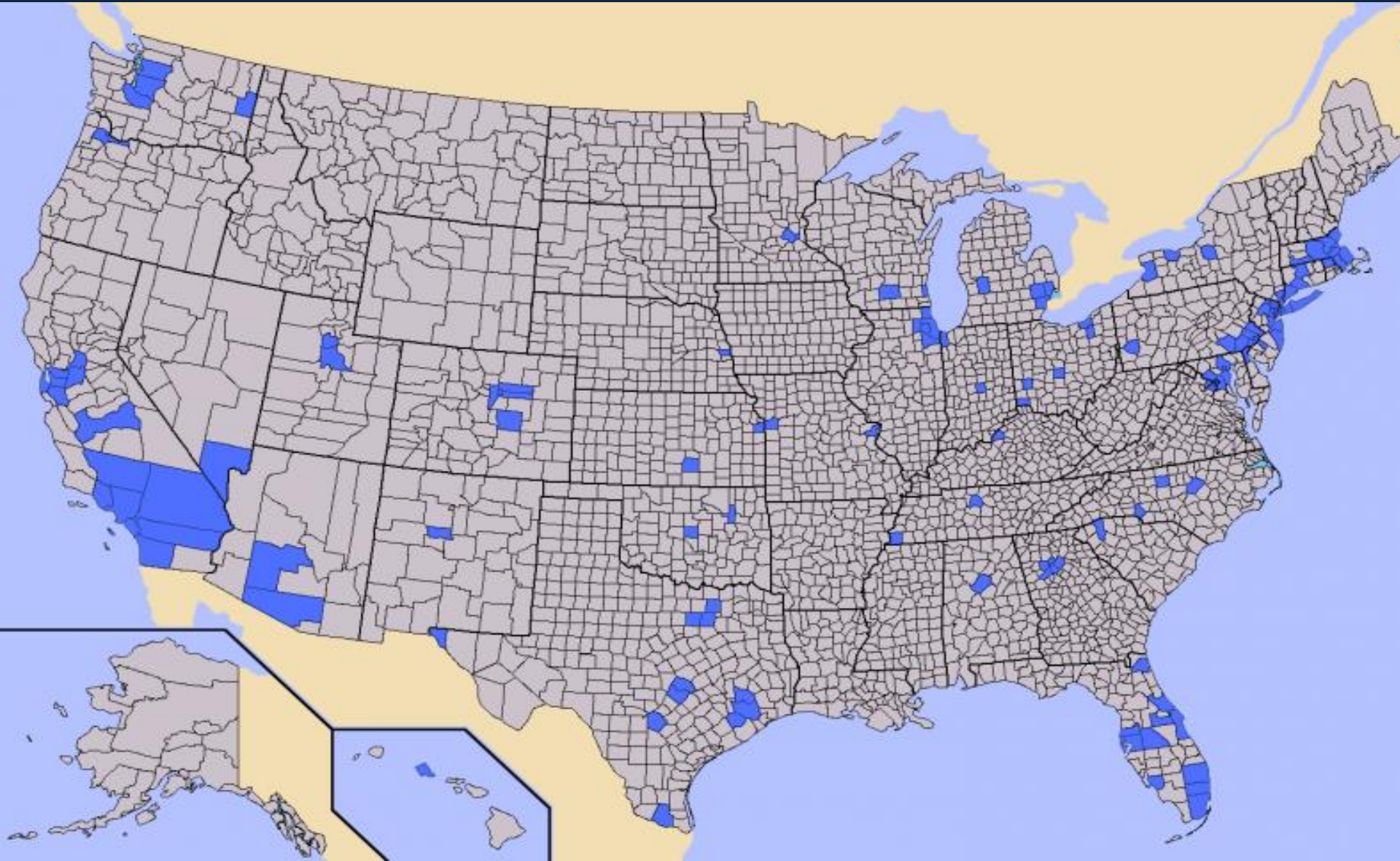# Population Growth Rate by Regional Size
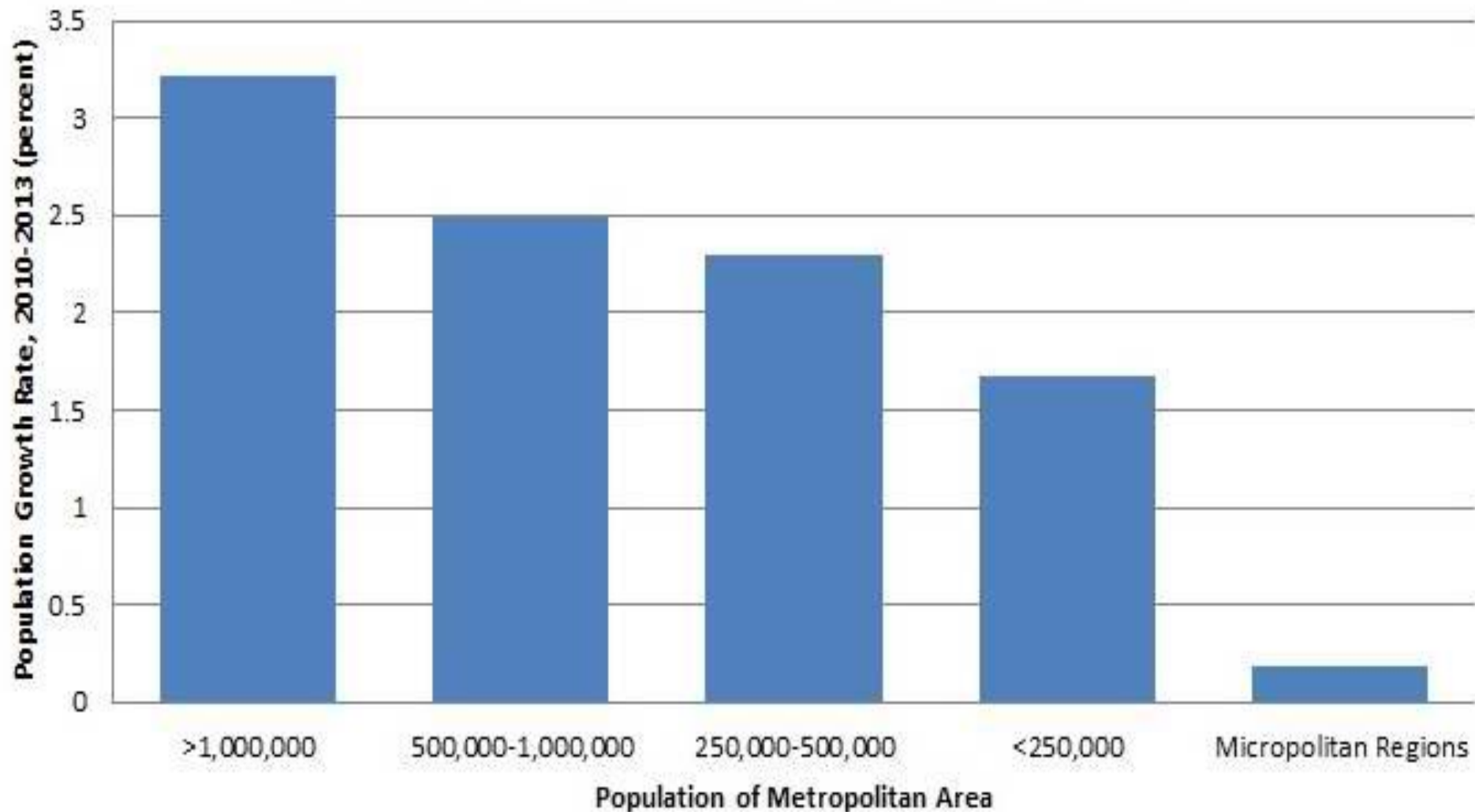
Population Loss Counties, Outside Large Metropolitan Areas, 2004-2007 and 2010-2013

Population Losses for Periods:

- Both 2004-2007 and 2010-2013
- 2004-2007 Only
- 2010-2013 Only

ECONOMIC LEADERSHIP

Source: Atlantic Cities, March, 2014
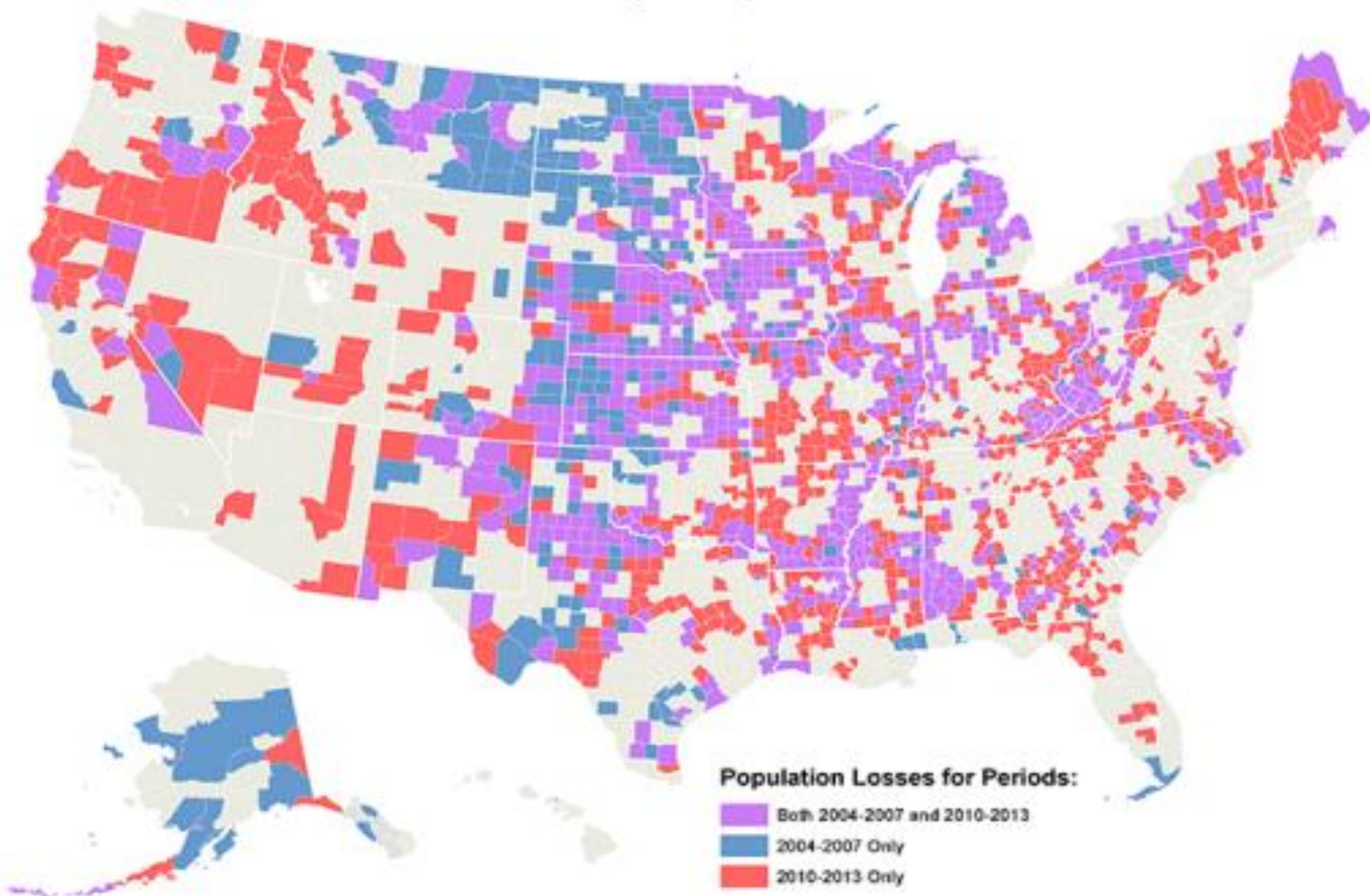
Half of the US Population Lives in these 146 Counties

ECONOMIC LEADERSHIP

Southern States % of Population Rural & Small Cities 2010

ECONOMIC LEADERSHIP
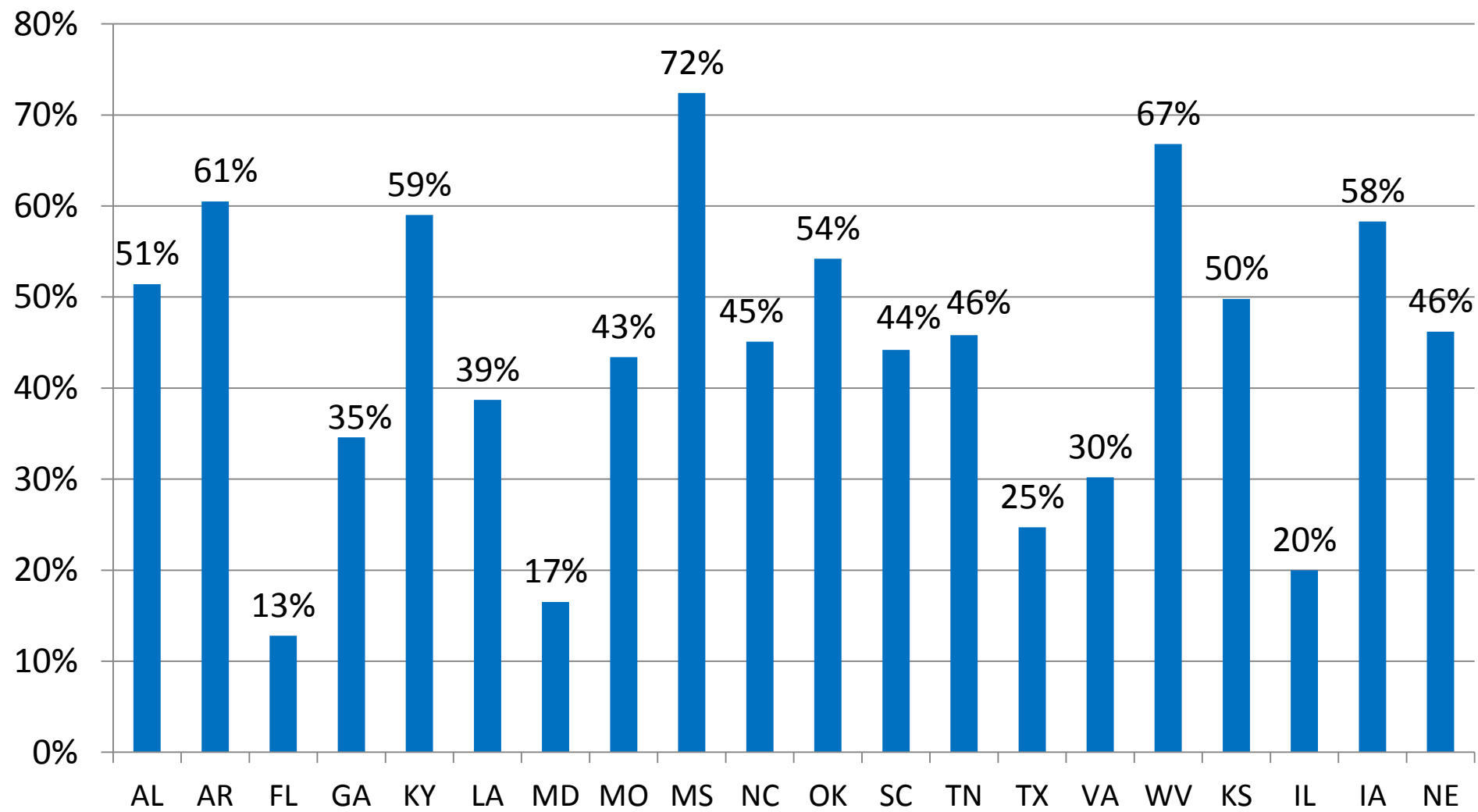
The Individual Focus
Workforce Conundrum for Places

Place Trains Talent → **Talent Seeks Job** → **Talent Leaves Place**
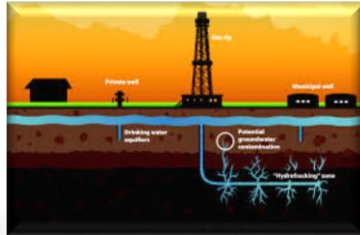
ECONOMIC LEADERSHIP

The Technology Conundrum

McKinsey & Company
Disruptive Technologies: May 2013

Energy

Mobile Internet

Advanced Materials
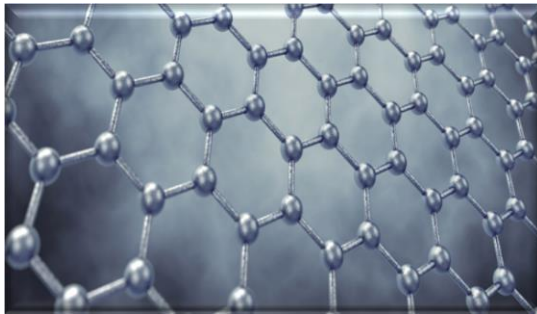
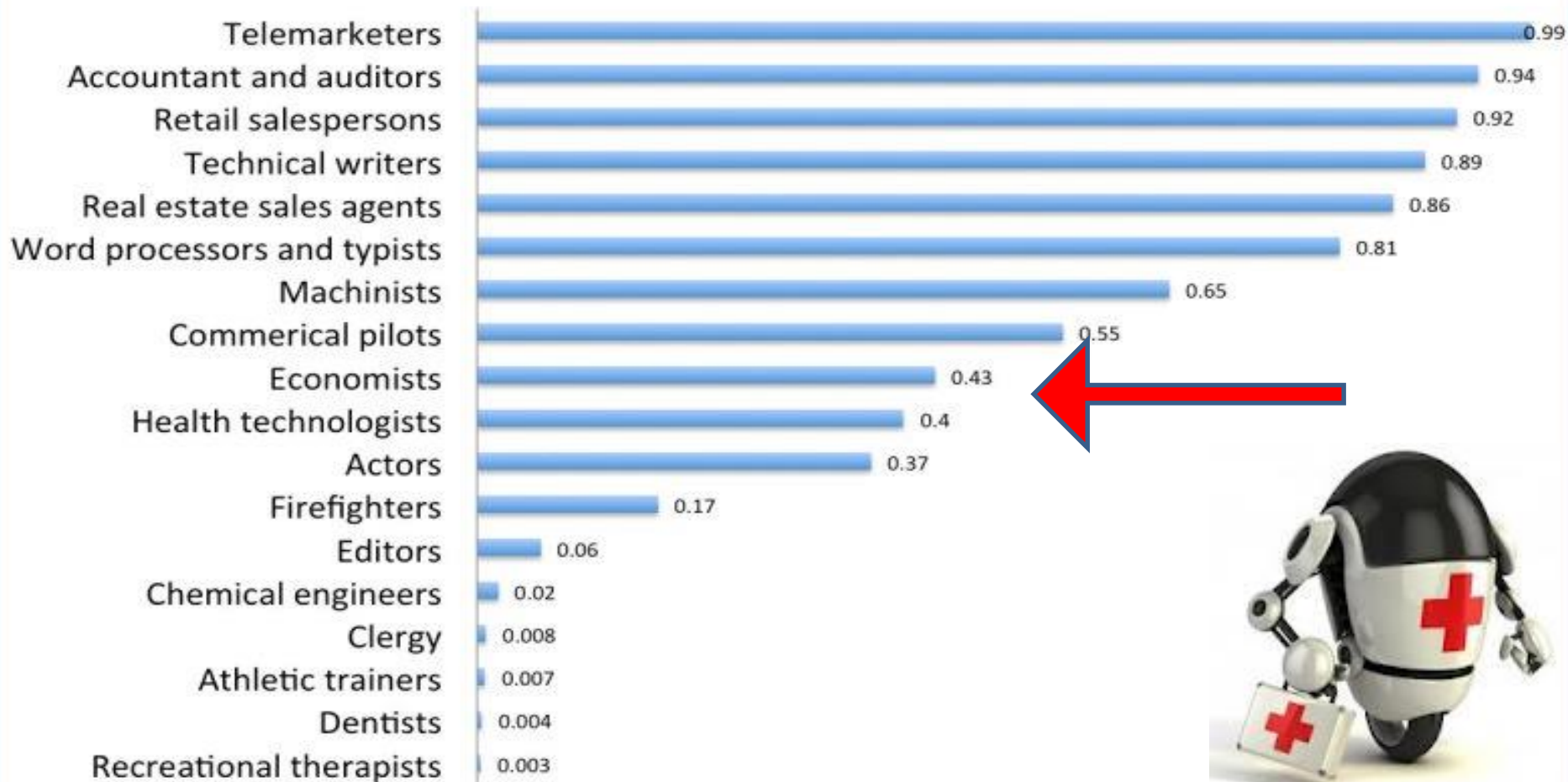## Next Generation Genomics
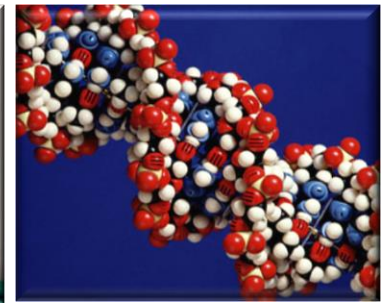
Robotics, Cloud, Digital-intel, 3D Printing

ECONOMIC
LEADERSHIP

Flat Screen TVs
Moveable Sidewalks
Electric Toothbrushes
Automatics Doors
Robot Vacuum
Cleaners
Videophones
Homework on Tape

Probability Robots Will Take Your Job In Next 20 Years, 1=Certain

Job	Probability
Telemarketers	0.99
Accountant and auditors	0.94
Retail salespersons	0.92
Technical writers	0.89
Real estate sales agents	0.86
Word processors and typists	0.81
Machinists	0.65
Commerical pilots	0.55
Economists	0.43
Health technologists	0.4
Actors	0.37
Firefighters	0.17
Editors	0.06
Chemical engineers	0.02
Clergy	0.008
Athletic trainers	0.007
Dentists	0.004
Recreational therapists	0.003

Source: The Economist, The Future of Employment: How susceptible are jobs to computerisation?

ECONOMIC LEADERSHIP

Source: Business Insider, The Economist, 2014

Most frightening to parents:

"Only the best-educated humans will compete with machines. And education systems in the U.S. and much of the rest of the world are still sitting students in rows and columns, teaching them to keep quiet and memorize what is told to them, preparing them for life in a 20th century factory."

— Howard Rheingold, tech writer and analyst

Most utopian:

"How unhappy are you that your dishwasher has replaced washing dishes by hand, your washing machine has displaced washing clothes by hand or your vacuum cleaner has replaced hand cleaning? My guess is this 'job displacement' has been very welcome, as will the 'job displacement' that will occur over the next 10 years. This is a good thing. Everyone wants more jobs and less work."

— Hal Varian, chief economist at Google

ECONOMIC LEADERSHIP

Re-imagine Readiness

- Strengthen the connections between education and job skills

- Re-think credentials and their value in the workplace

- Give students more exposure to the world of work

- Scale technology so that every student can benefit from a high quality, personalized learning experience

Re-imagine Readiness

- Strengthen the connections between education and **job skills**

- Re-think credentials and their value in the workplace

- Give students more exposure to the world of work

- Scale technology so that every student can benefit from a high quality, personalized learning experience
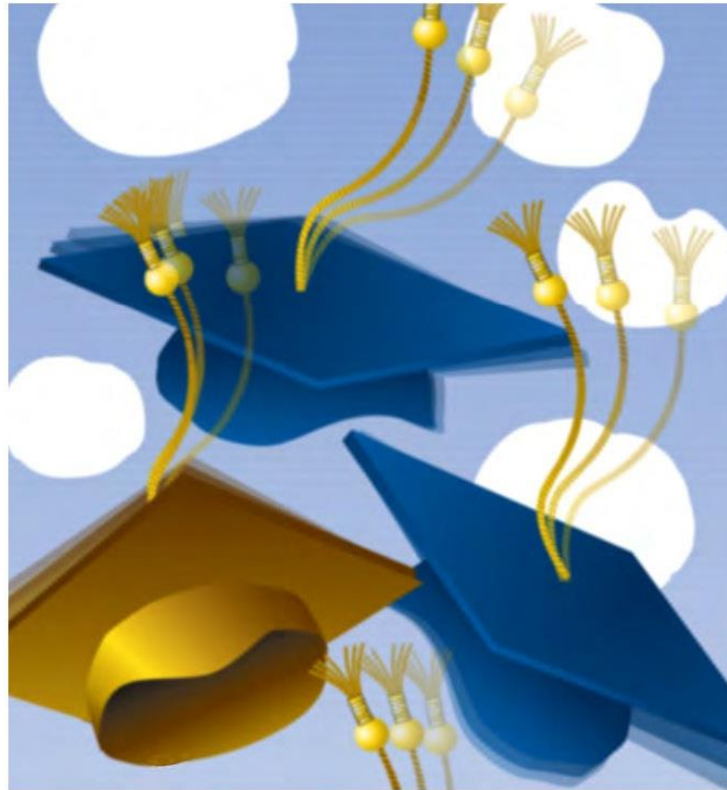
NATIONAL ISSUES FORUMS

www.nifi.org

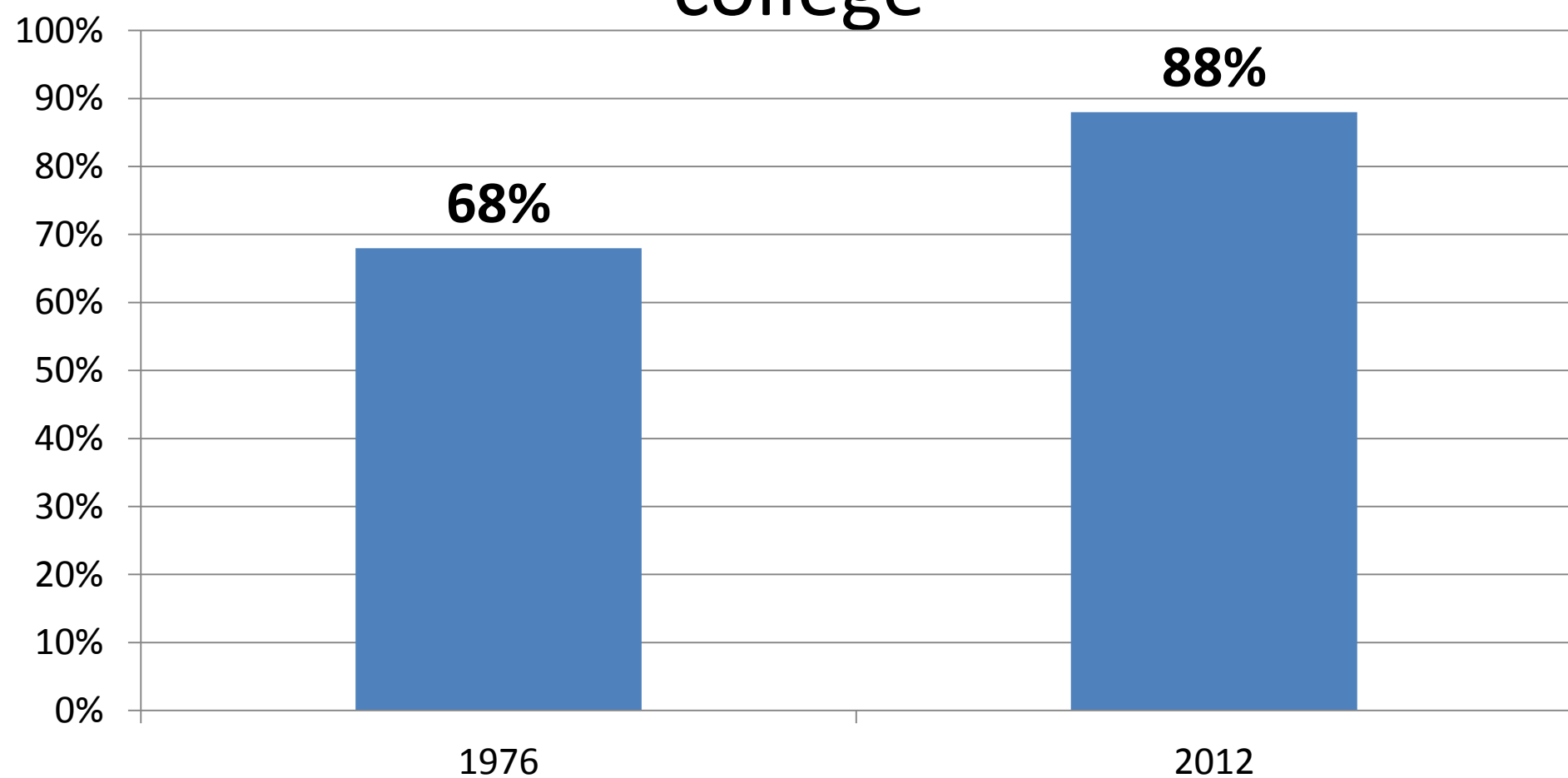American Commonwealth Partnership
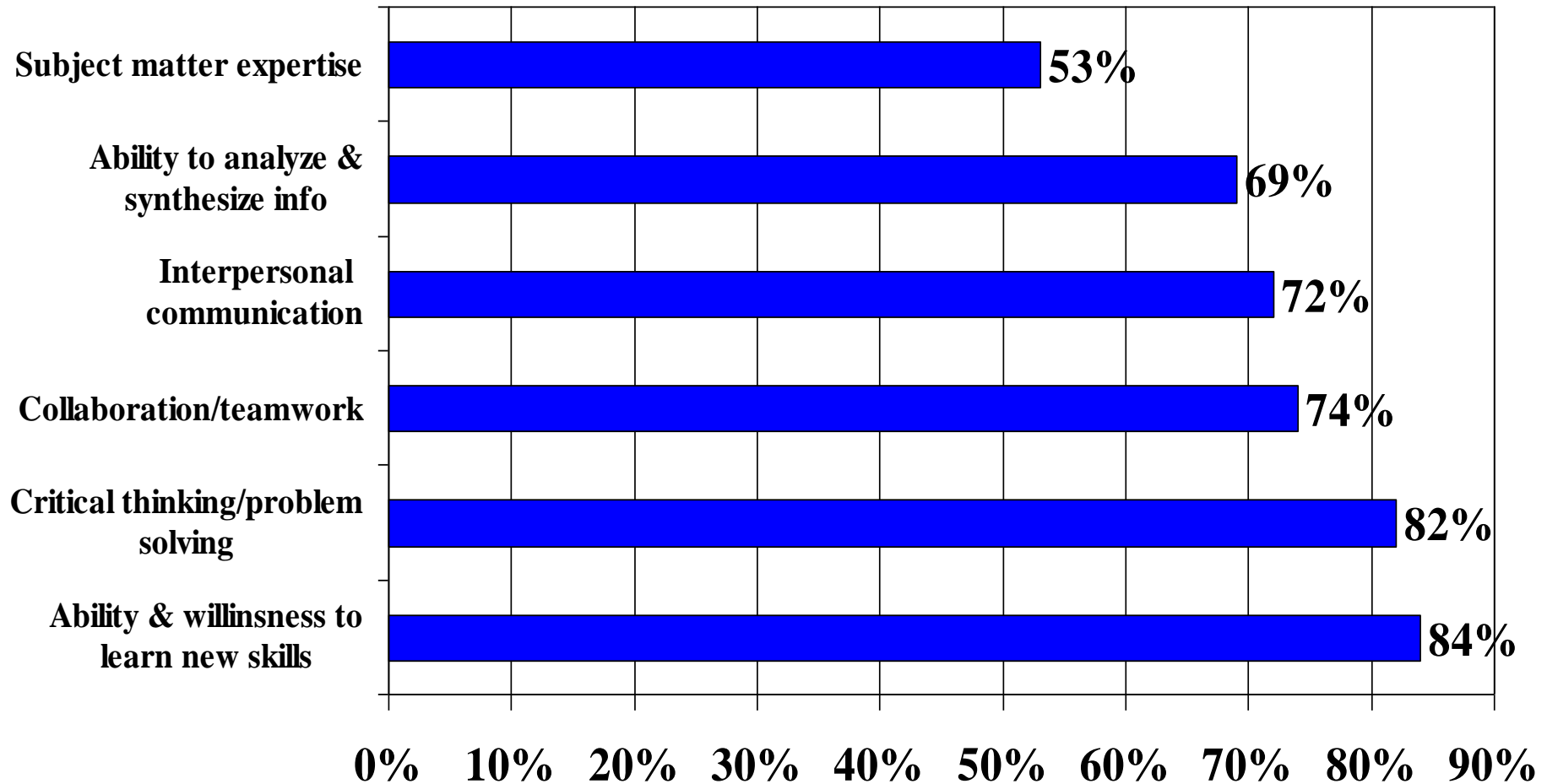Education for the Public Good

>>Shaping Our Future

How Should Higher Education Help Us Create the Society We Want?

http://www.youtube.com/watch?v=uBSQXwt09iU&feature=player_embedded

ECONOMIC LEADERSHIP

% of College Freshman "to be able to get a better job" as an important reason for college

Bar chart showing 1976: 68% and 2012: 88%

Source: The American Freshman, 2012, 2013

Importance of Skills When Hiring?

Source: Life in the 21st Century, University of Phoenix, 2011

Top Skills Employers Say They Want (2014)

1. Ability to work in a team
2. Ability to make decisions and solve problems
3. Ability to plan, organize and prioritize work
4. Ability to communicate verbally
5. Ability to obtain and process information
6. Ability to analyze quantitative data
7. Technical knowledge related to the job
8. Proficiency with computer software programs
9. Ability to create and/or edit written reports
10. Ability to sell and influence people

ECONOMIC LEADERSHIP

Rankings of Employee Skills from Most Important to Least Important

Under $12 per hour	$12-20 per Hour	Over $20 per hour
Honesty/Integrity	Honesty/Integrity	Honesty/Integrity
Dependability/Responsibility	Dependability/Responsibility	Dependability/Responsibility
Positive Attitude/Energy	Positive Attitude/Energy	Positive Attitude/Energy
Work Ethic	Work Ethic	Work Ethic
Customer Service	Teamwork	Teamwork
Teamwork	Customer Service	Problem Solving
Professionalism	Professionalism	Verbal Communication
Verbal Communication	Verbal Communication	Professionalism

Durham Demand-Driven Workforce Development

CONNECT
COMMUNICATE
COLLABORATE

Source: Economic Leadership Survey of 122 business for Durham NC, 2014

ECONOMIC LEADERSHIP

Can the Skills of the Talent Pool Keep Up With the Demand for Skills?
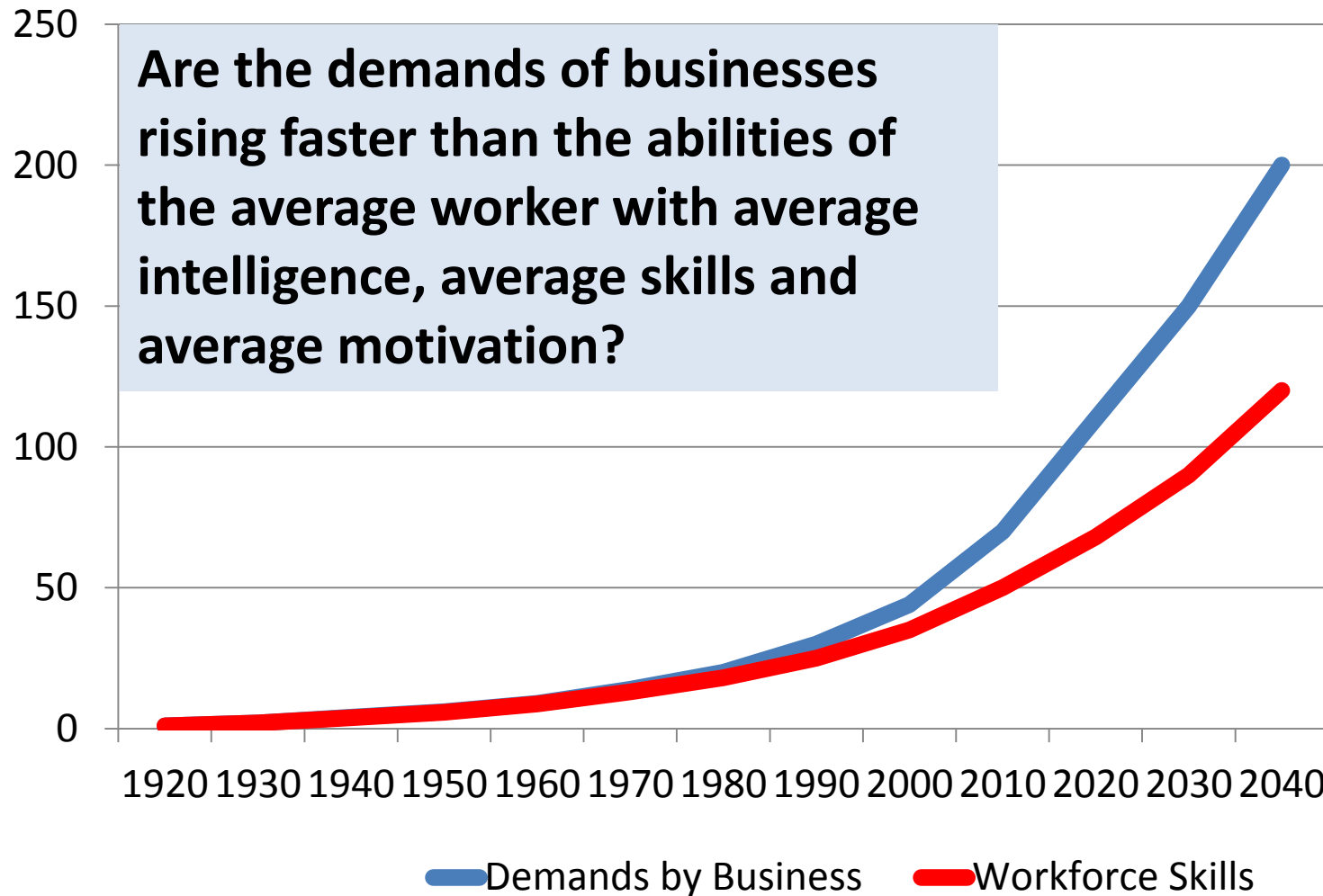
Are the demands of businesses rising faster than the abilities of the average worker with average intelligence, average skills and average motivation?

Chart: Y-axis 0 to 250; X-axis years 1920 through 2040.

Legend: Demands by Business — Workforce Skills

ECONOMIC LEADERSHIP

Re-imagine Readiness

- Strengthen the connections between education and job skills

- Re-think **credentials** and their value in the workplace

- Give students more exposure to the world of work

- Scale technology so that every student can benefit from a high quality, personalized learning experience
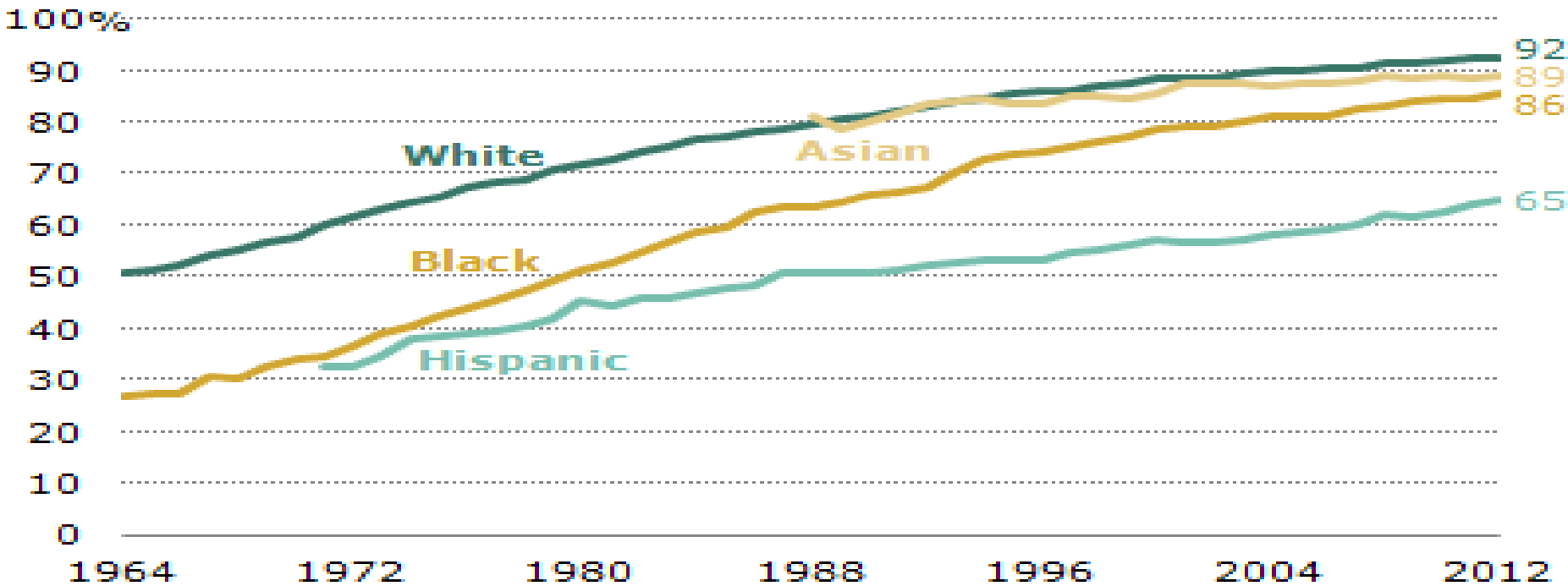
US Adults Years School Completed

In 1980, 32% had some college & 17% BA

In 2010, 56% some college & 30% BA
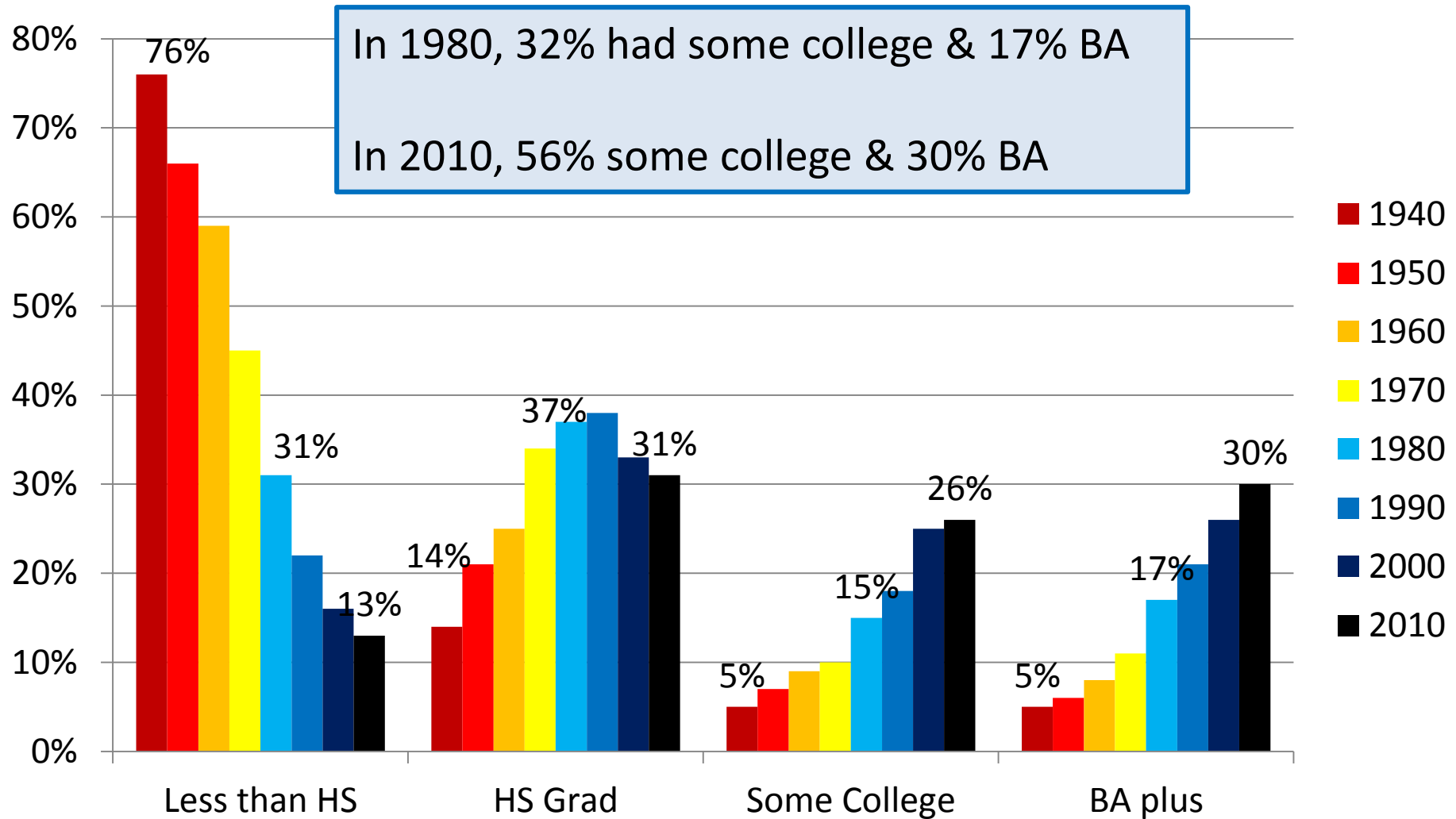
High School Completion by Race/Ethnicity, 1964-2012

% of adults age 25 and older

College Completion by Race/Ethnicity, 1964–2012

% of adults age 25 and older

Dropout Nation

Nationwide, only **56 percent** of students who begin postsecondary education receive a degree within six years. Here's how it breaks down by state.

(Graduation Rate)

20% - 29%	30% - 39%	40% - 49%	50% - 59%	60+%

63% Washington

57% Oregon

45% Montana

47% North Dakota

60% Minnesota

57% Maine

42% Idaho

55% Wyoming

45% South Dakota

58% Wisconsin

55% Michigan

59% New York

36% Nevada

52% Utah

55% Nebraska

63% Iowa

66% Pennsylvania

64% California

53% Colorado

53% Kansas

56% Missouri

59% Illinois

56% Indiana

55% Ohio

44% West Virginia

63% Virginia

48% Kentucky

54% Arizona

39% New Mexico

44% Oklahoma

41% Arkansas

52% Tennessee

59% North Carolina

64% Vermont

61% New Hampshire

69% Massachusetts

66% Rhode Island

66% Connecticut

63% New Jersey

60% Delaware

64% Maryland

49% Texas

52% Mississippi

47% Alabama

48% Georgia

58% South Carolina

41% Louisiana

47% Florida

27% Alaska

42% Hawaii

Rate is the percentage of first-time undergraduate degree-seeking students earning any formal award (certificate, associate, bachelor's degree) within six years at degree-granting institutions as of 2009.

Soaring College Tuitions

College tuition continues to outpace median family income and the cost of medical care, food and housing.

Growth since 1982-84 .... 500%

College tuition and fees

400

Medical care

300

200

Median family income

100

Consumer price index

'82-
'84   '90   '95   '00   '07
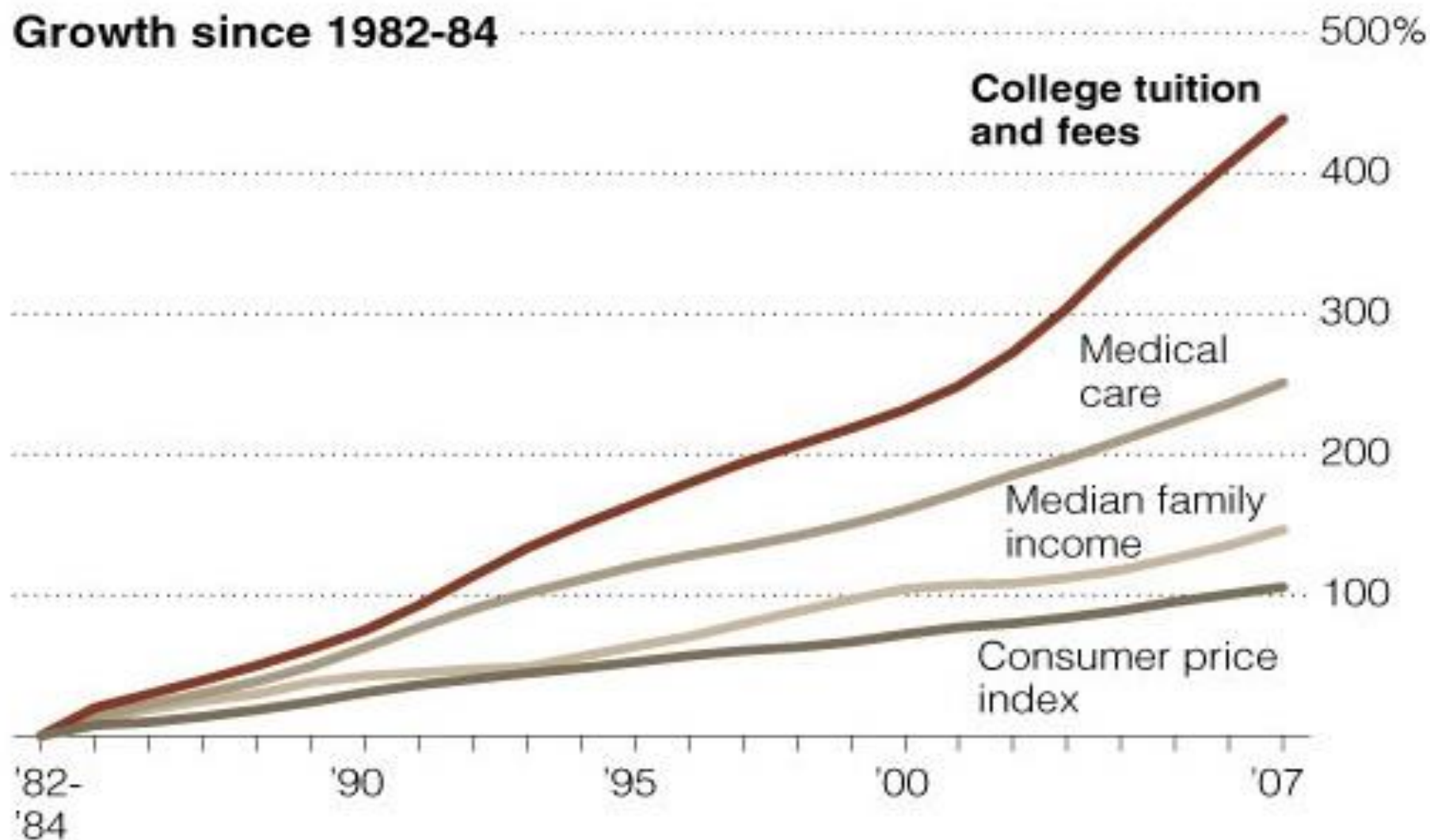
Earnings and unemployment rates by educational attainment
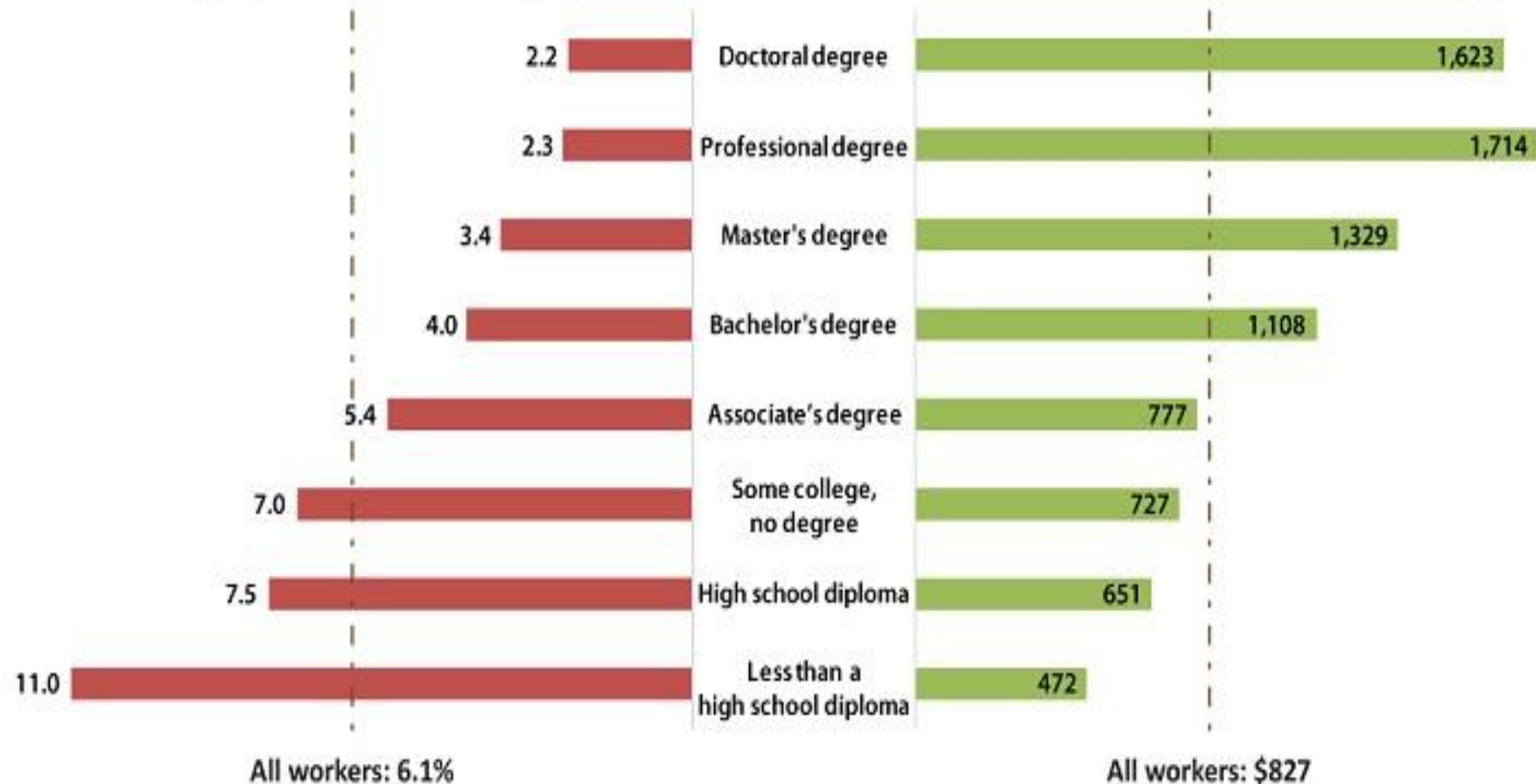
Unemployment rate in 2013 (%)

Median weekly earnings in 2013 ($)

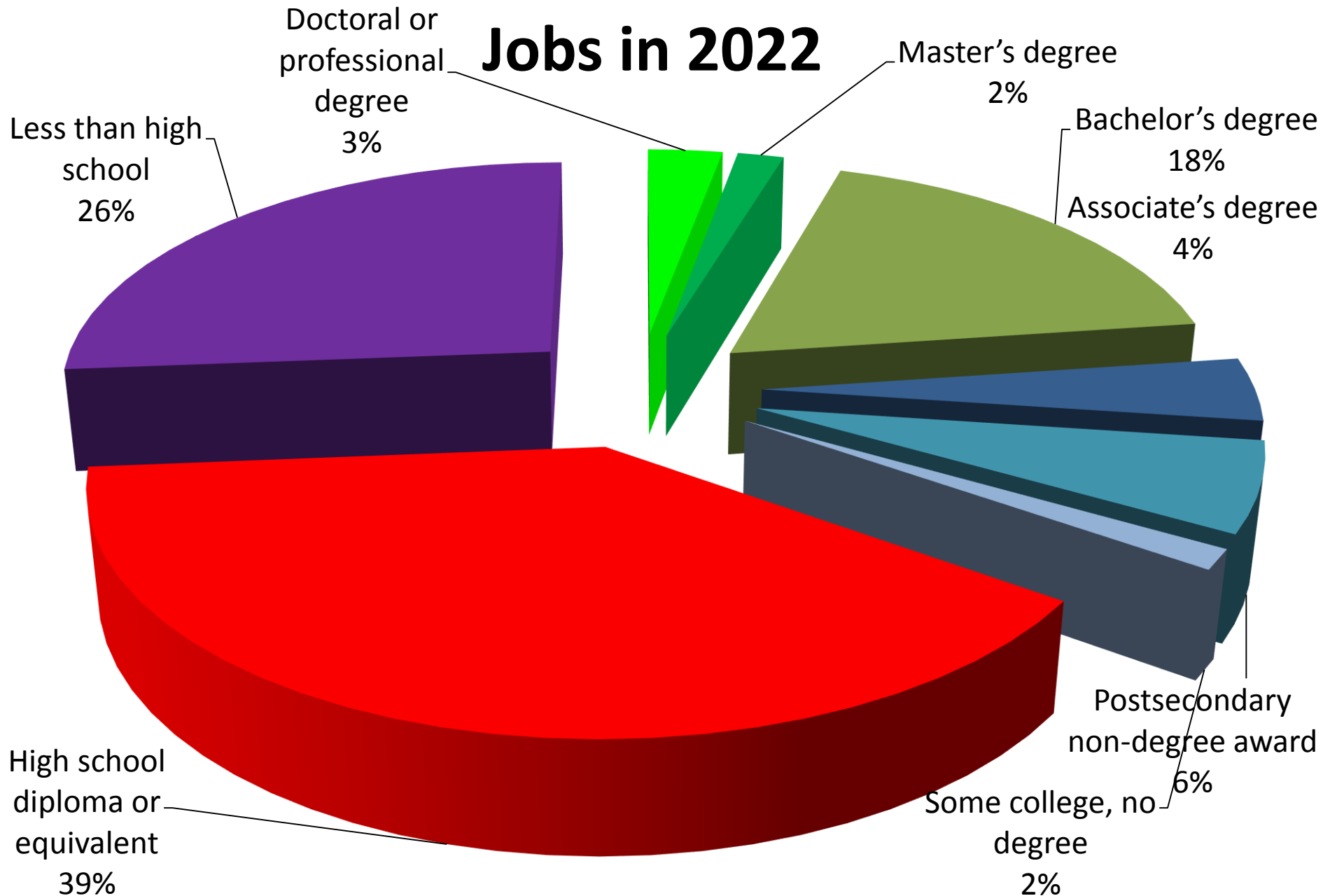| Education	Unemployment rate	Median weekly earnings
Doctoral degree	2.2	1,623
Professional degree	2.3	1,714
Master's degree	3.4	1,329
Bachelor's degree	4.0	1,108
Associate's degree	5.4	777
Some college, no degree	7.0	727
High school diploma	7.5	651
Less than a high school diploma	11.0	472

All workers: 6.1%

All workers: $827

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
Source: Current Population Survey, U.S. Bureau of Labor Statistics, U.S. Department of Labor
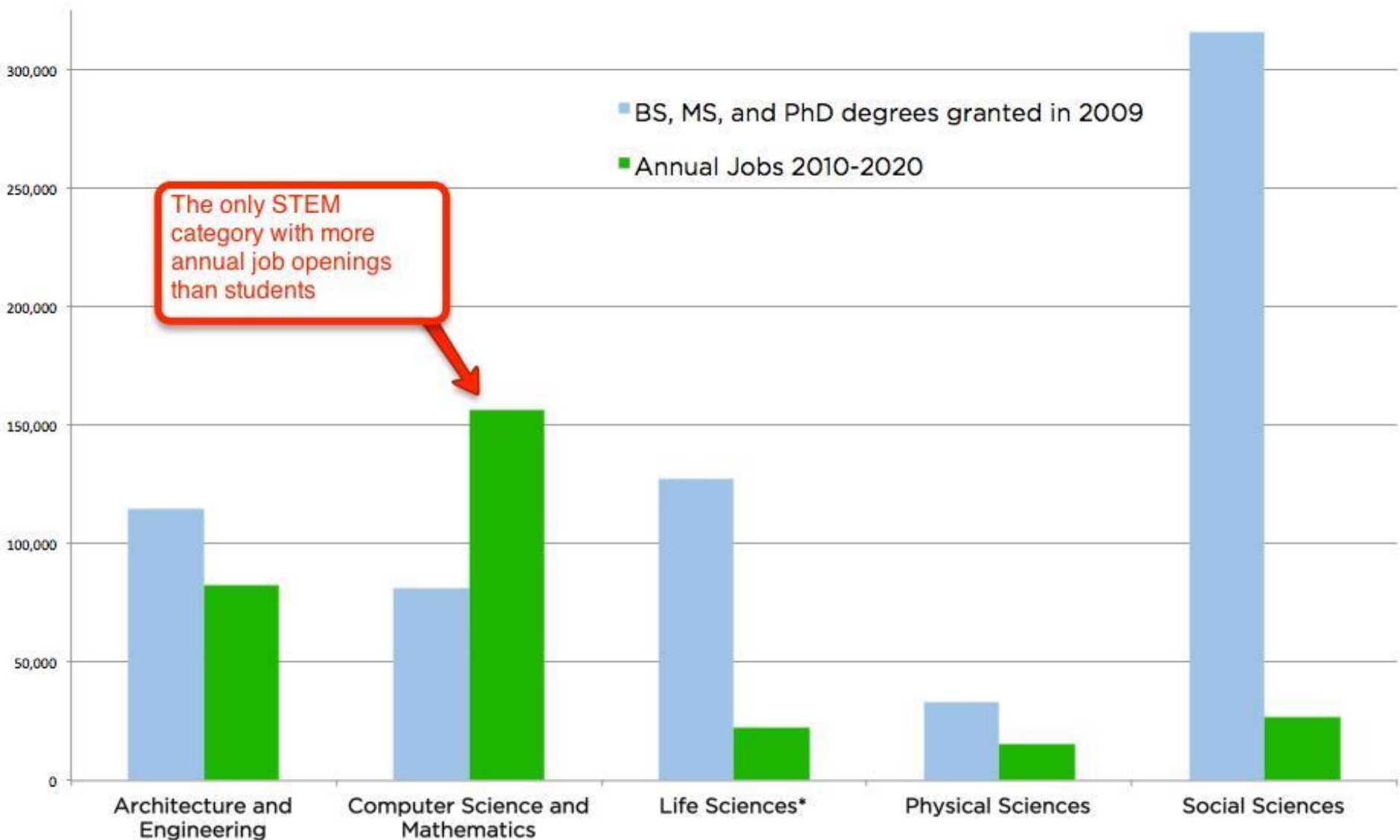
ECONOMIC LEADERSHIP

Source: U.S. Bureau of Labor Statistics.

What % of Jobs, in America, in 2022 will require a Bachelor's Degree or more?

Jobs in 2022

Doctoral or professional degree 3%
Master's degree 2%
Bachelor's degree 18%
Associate's degree 4%
Less than high school 26%
High school diploma or equivalent 39%
Some college, no degree 2%
Postsecondary non-degree award 6%

Source: BLS, June 2014

ECONOMIC LEADERSHIP

Not all STEM Degrees Are Equal

BS, MS, and PhD degrees granted in 2009

Annual Jobs 2010-2020

The only STEM category with more annual job openings than students

Architecture and Engineering

Computer Science and Mathematics

Life Sciences*

Physical Sciences

Social Sciences

ECONOMIC LEADERSHIP

Sources: Bureau of Labor Statistics, National Science Foundation

U.S. Projected Job Growth 2013-2017
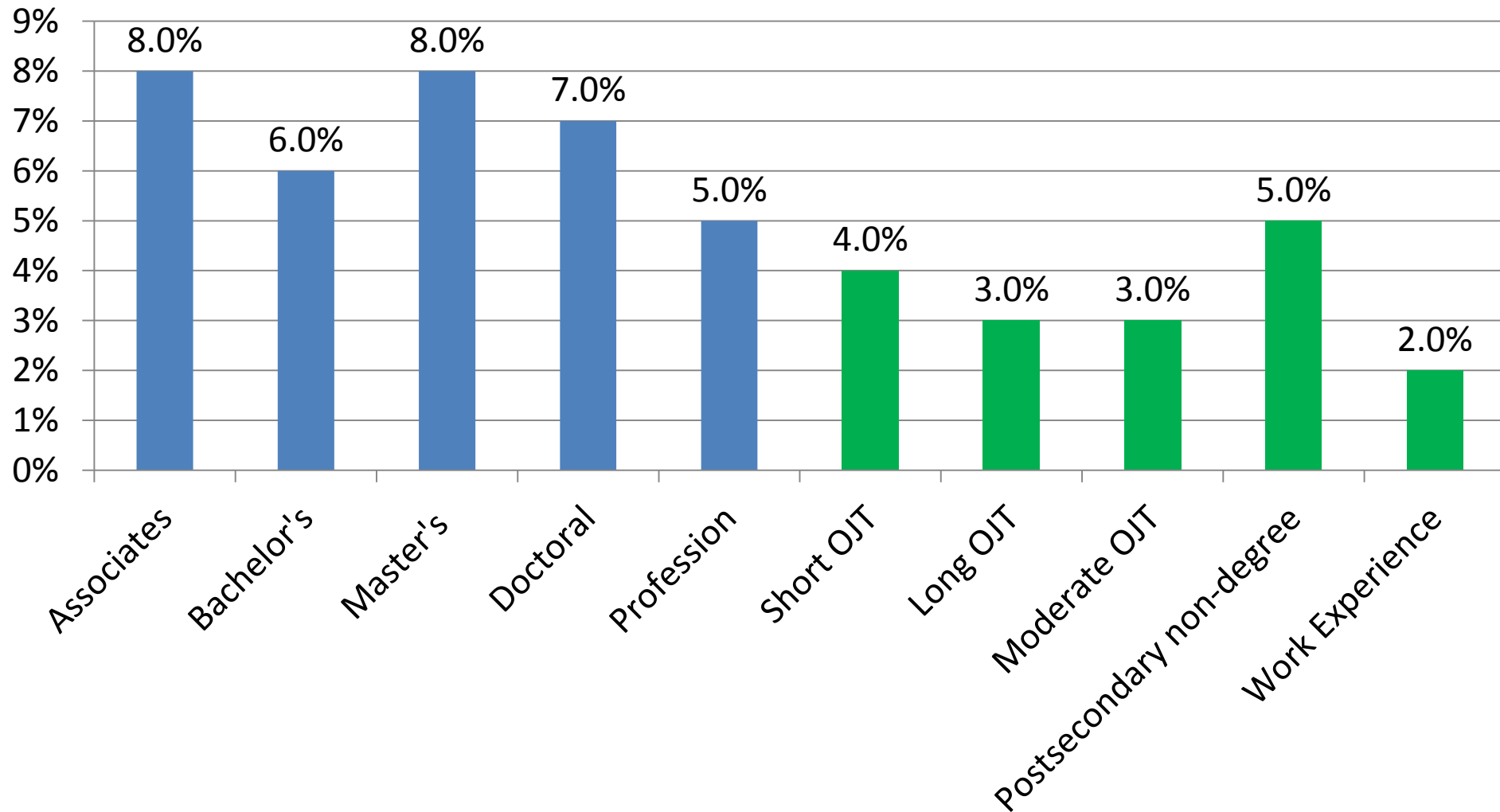
Source: emsi, CareerBuilder Occupational Projection
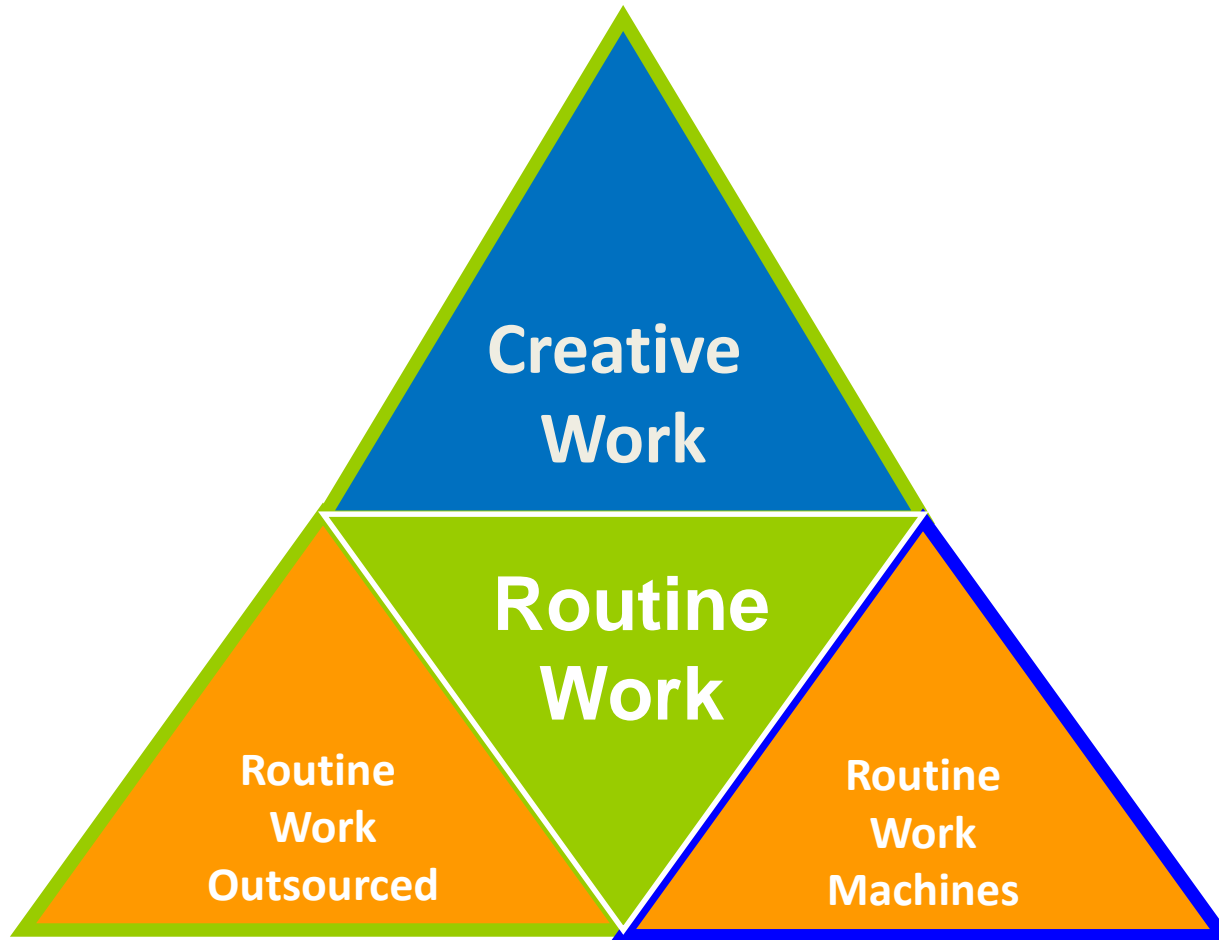
ECONOMIC LEADERSHIP
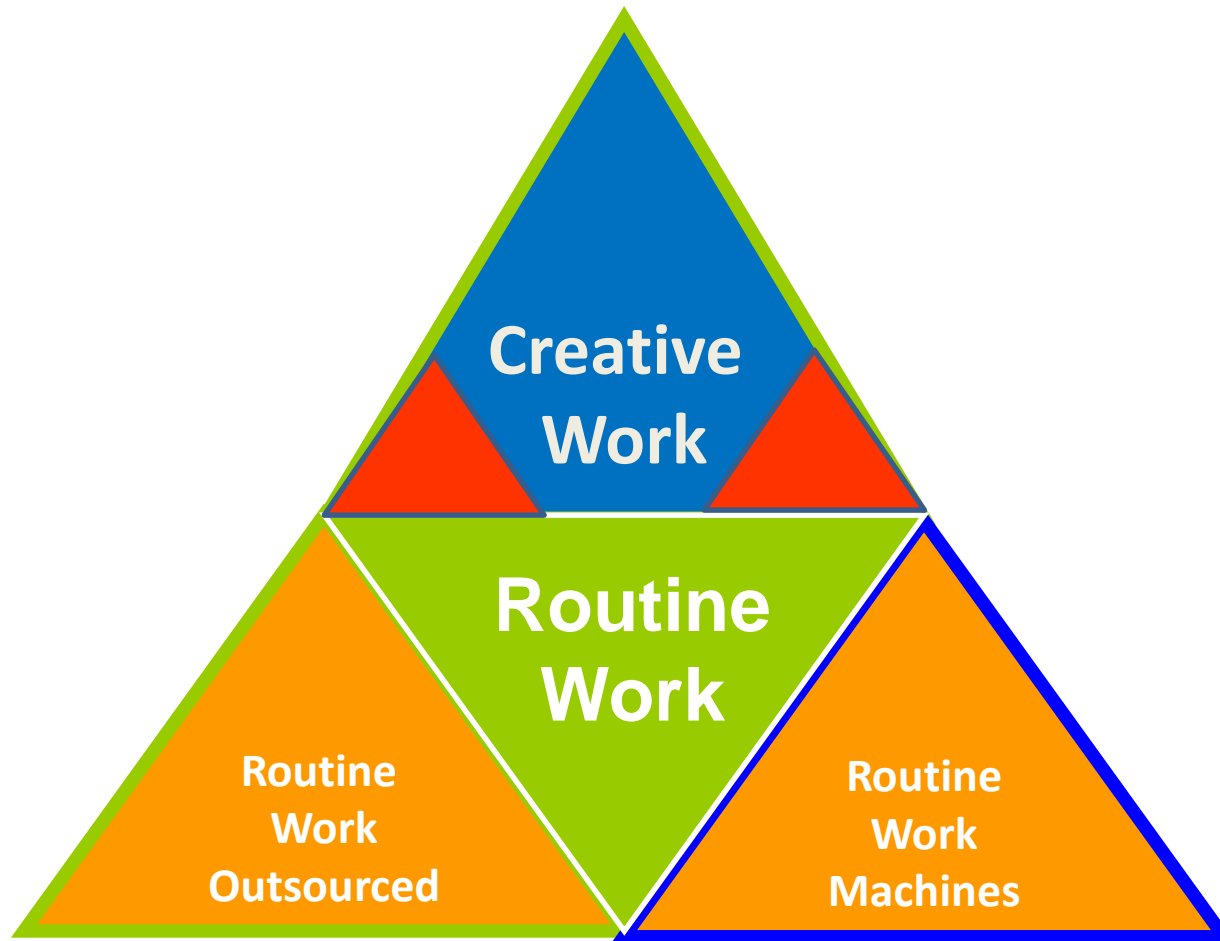
Re-imagine Readiness

- Strengthen the connections between education and job skills

- Re-think credentials and their value in the workplace

- Give students more **exposure to the world of work**

- Scale technology so that every student can benefit from a high quality, personalized learning experience
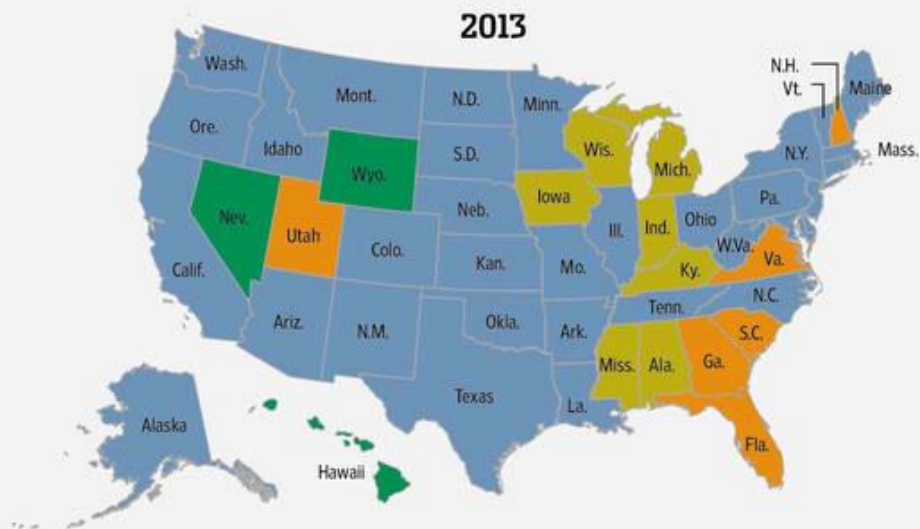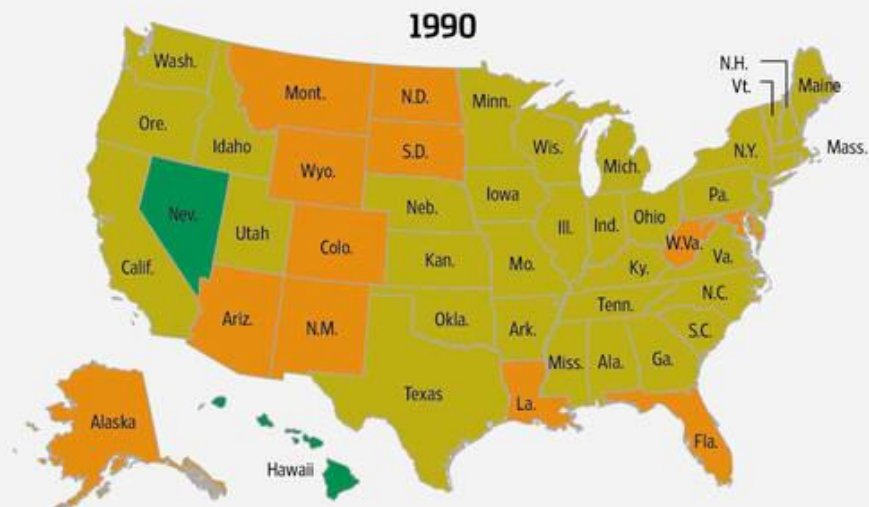
Work Shifts

Work Shifts

The shift in the types of jobs has been swift and profound!

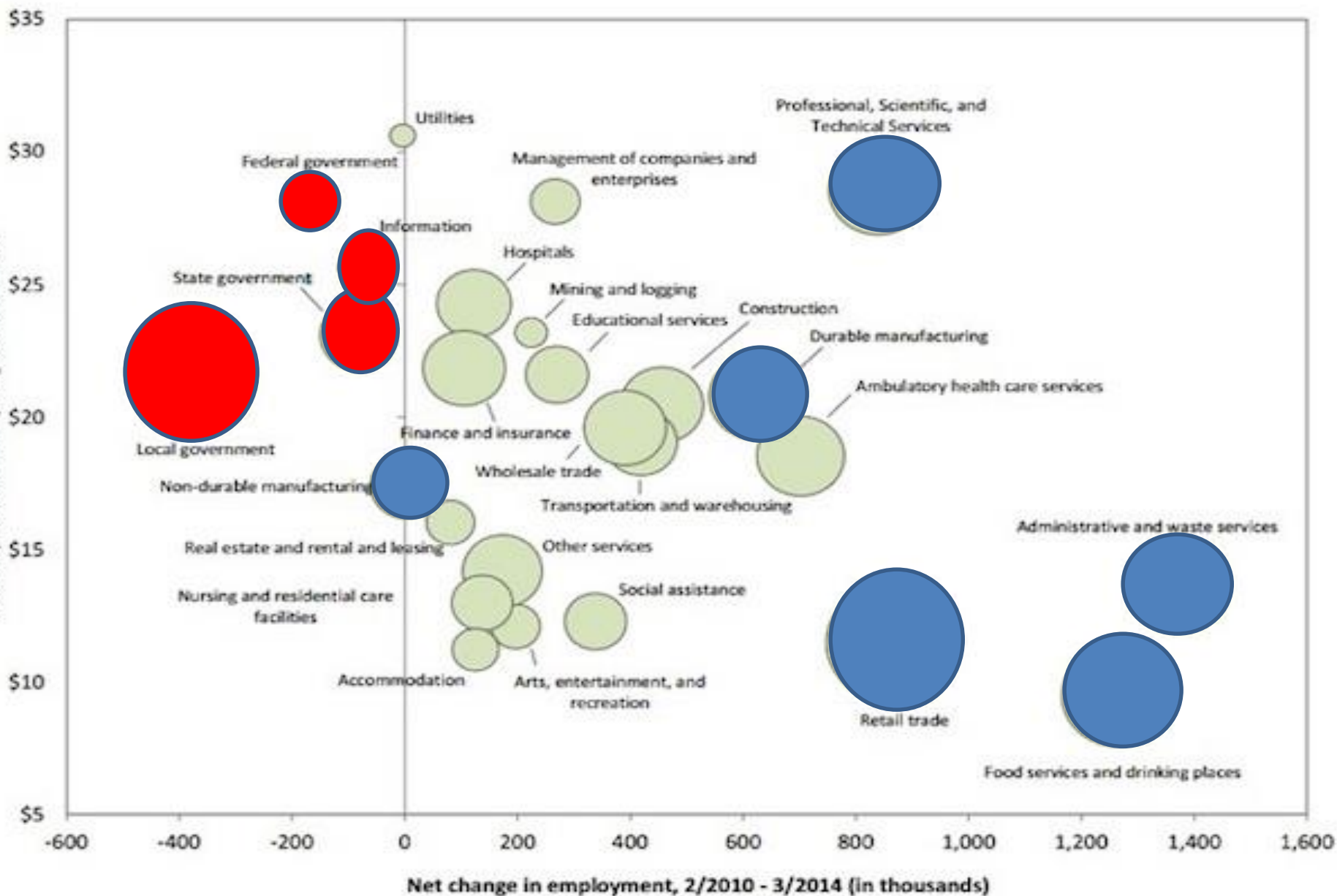**Work Then and Now |** Industry with highest employment by state

Manufacturing · Health care · Retail trade · Accommodation and food services

1990

2013

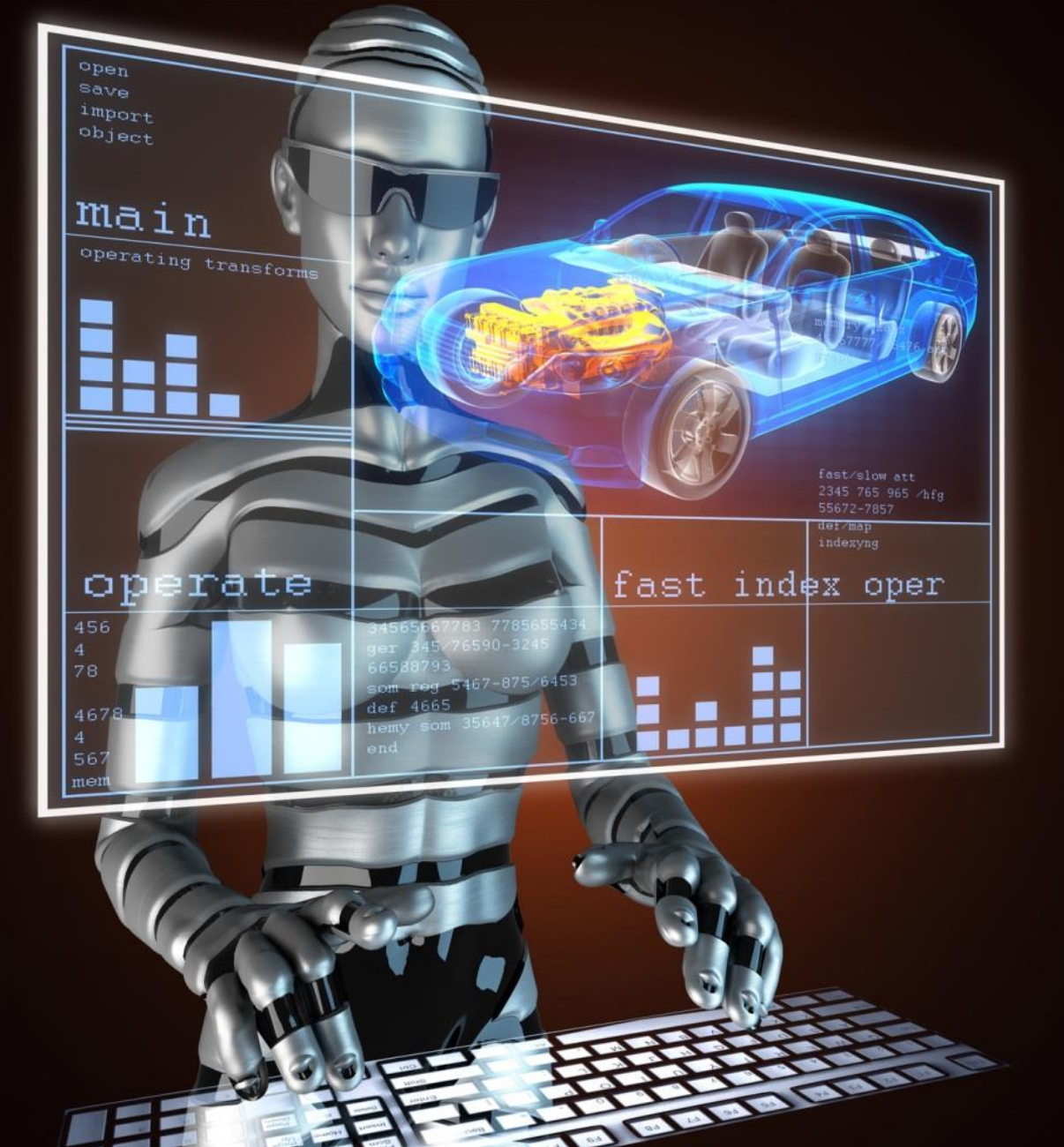Source: U.S. Bureau of Labor Statistics

The Wall Street Journal

ECONOMIC LEADERSHIP

Chart: Industry median hourly wage, 2013 dollars (y-axis, $5 to $35) vs. Net change in employment, 2/2010 - 3/2014 (in thousands) (x-axis, -600 to 1,600)

Bubble labels:
- Utilities
- Federal government
- Management of companies and enterprises
- Professional, Scientific, and Technical Services
- Information
- Hospitals
- State government
- Mining and logging
- Construction
- Educational services
- Durable manufacturing
- Ambulatory health care services
- Local government
- Finance and insurance
- Wholesale trade
- Non-durable manufacturing
- Transportation and warehousing
- Real estate and rental and leasing
- Other services
- Administrative and waste services
- Nursing and residential care facilities
- Social assistance
- Accommodation
- Arts, entertainment, and recreation
- Retail trade
- Food services and drinking places

Source: National Employment Law Project, 2014

Re-imagine Readiness

- Strengthen the connections between education and job skills

- Re-think credentials and their value in the workplace

- Give students more exposure to the world of work

- **Scale technology** so that every student can benefit from a high quality, personalized learning experience

ECONOMIC LEADERSHIP

- **MOOCs**
- **Khan Academy**
- **Virtual High School**
- **E-textbooks**
- **Digital gaming content (competency based)**
- **Ubiquitous learning content**

ECONOMIC LEADERSHIP

Re-engage Adult Learners and Disconnected Youth

- Target workers with some credits, but no degree or credential

- Help dislocated workers rejoin the workforce

- Recover disconnected youth

2013 Unemployment Rate By Age
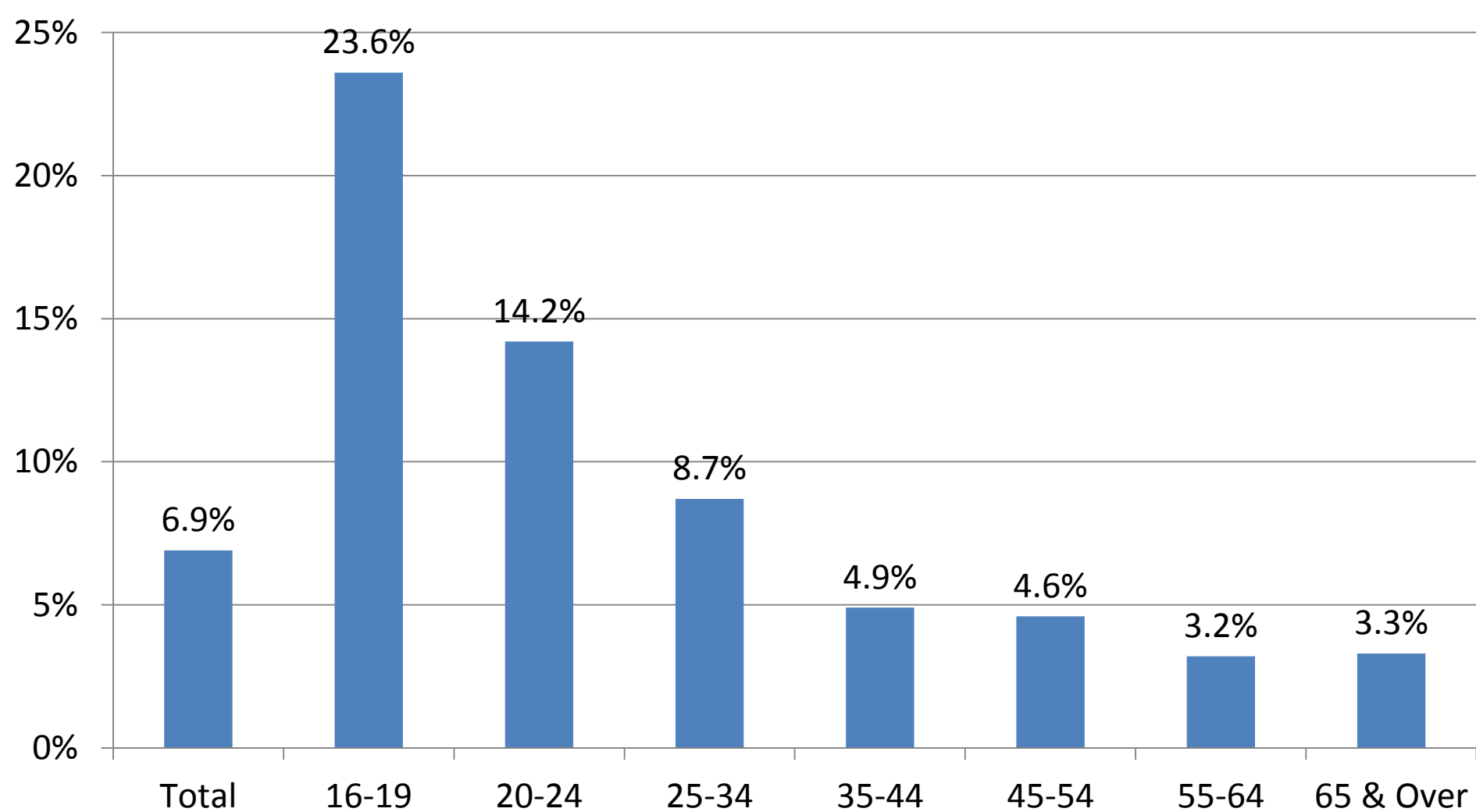
Sources: Bureau of Labor Statistics

Re-align Relationships and Resources

- Create a continuity in education and workforce development from early childhood through career

- Align and track data across the education and workforce pipeline

- Engage business in a meaningful way

Re-align Relationships and Resources

The Parable of Unexpected Connectivity

Re-align Relationships and Resources

- Create a continuity in education and workforce development from early childhood through career

- Align and track data across the education and workforce pipeline

- Engage business in a meaningful way

Top Factors for Companies Considering New Investment

1) Availability of skilled labor
2) Highway accessibility
3) Labor costs
4) Occupancy or construction costs
5) Availability of advanced ICT services
6) Availability of buildings
7) Corporate tax rate
8) State & Local Incentives
9) Low union profile
10) Energy availability and costs

Workforce Development

ECONOMIC LEADERSHIP

ted@econleadership.com

Workforce Development

- "A top priority of the nation's governors is developing the skilled and knowledgeable workforce required for states to be economically competitive in a global economy."

  National Governors Association 2013

- "In business today, no competition is tougher than the global race for talent. In every industry, every job sector, and every part of the world, employers are asking the same question: How are we going to find, train, and retain the best workers?"

  U.S. Chamber of Commerce 2013

What Are The Components of a Perfect System?

Supply-Side Citizens looking for good jobs

Workforce System Organizations that improve skills, provide information or connect

Demand-Side Employers looking for good labor

Move people out of poverty
Help unemployed find jobs
Educate for increased skills
Train for increased skills

Find just in time talent
Reduce costs
Minimize risk
Maximize profits

Let's Talk Barriers To Employment

- Drug Tests
- Criminal Background Checks
- Credit Checks
- Reading, Math and Comprehension
- Social Media Checks
- References
- Interviews

ECONOMIC
LEADERSHIP
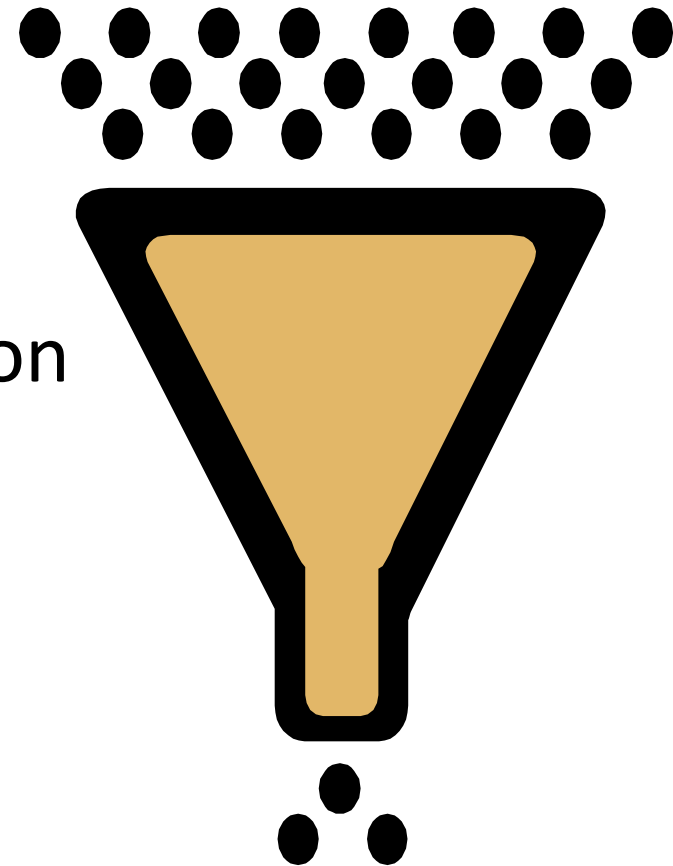
Listening To The South

- Stop tinkering at the edges with Education and Workforce Development

- Act Earlier- leaning starts before children reach school

- We are shortchanging both our students and our businesses if we promote 4-year colleges as the only pathway to success

- It is not all about technical (hard) skills

- Businesses need to play a key role

"We're looking for someone with the wisdom of a 50-year-old, the experience of a 40-year-old, the drive of a 30-year-old and the pay scale of a 20-year-old."

Changing Workforce Development

Old Way

- Responsive to rules and systems
- Programmatic silos with special populations
- Education and workforce are different systems
- Geography matters
- Technology to track people and results

New Way

- Responsive to employer needs
- Flexible, simplified and customized
- All efforts are seamless and matriculation is simple
- Industry needs matter
- Technology to customize, analyze needs, and empower customers

ECONOMIC LEADERSHIP

"Do what you can, with what you have, where you are."

ECONOMIC LEADERSHIP

s uthern growth policies board

Re-imagining Workforce Development

Southern Growth Policies Board's
2013 Report on the Future of the South

ECONOMIC
LEADERSHIP

ECONOMIC LEADERSHIP

ECONOMIC
LEADERSHIP

Follow on twitter
@tedabernathy

or

LinkedIn Ted Abernathy

" Leadership and learning are
indispensable to each other."
John F. Kennedy

Change BLVD

Same Old ST

ECONOMIC
LEADERSHIP

ted@econleadership.com